



Further development and procurement of the V-22 could be cancelled, saving an estimated \$390 million in budget authority in 1987 and \$4.9 billion over the next five years. The Marine Corps could continue to rely on the older and less capable CH-46 and CH-53 helicopters currently being used, while considering other helicopters and amphibious landing craft to perform the combat assault mission in the future. Relying on these older helicopters should not cause operational problems at the present time. The Marine Corps has indicated that, by continuing to replace parts subject to wear, helicopter service lives can be extended indefinitely.

DEF-07 CANCEL E-6 AIRCRAFT PROCUREMENT

Savings from Admin. Request	Annual Savings (millions of dollars)					Cumulative Five-Year Savings
	1987	1988	1989	1990	1991	
Budget Authority	410	380	360	300	10	1,460
Outlays	70	200	270	300	280	1,120

In the event of nuclear war, the Navy proposes to use E-6 aircraft to provide enhanced communications between the National Command Authority and submarines that carry ballistic missiles. The Navy plans to buy 12 E-6s to replace the EC-130 aircraft that currently perform this mission. Although a substantial developmental effort is still required to adapt the EC-130 communications suite to the E-6--a military variant of the commercial Boeing 707--the Navy plans to fund procurement of most of these aircraft before development and operational testing is completed.

Justification for the E-6 aircraft rests primarily on its ability to stay aloft longer than the EC-130, thus allowing it to operate out of a greater number of dispersed bases, and so lessen the aircraft's vulnerability to enemy attack in time of nuclear alert. This will become more important with the introduction of the Trident II missile on submarines in the Pacific. The greater range of the missile could increase the operating area available to the submarine, thus increasing the desirability for an aircraft that can travel farther while still using all of the available dispersed bases.

The E-6 is expensive, however, with a unit program cost of nearly \$140 million (in fiscal year 1987 dollars). The Congress has raised concerns about the affordability of the aircraft now, especially since the EC-130 apparently can satisfactorily perform its mission for several more years, with only modest loss in capability as the Trident II missiles gradually enter the fleet.

Deferring E-6 procurement until the early 1990s would save \$410 million in budget authority in 1987 and \$1.5 billion over the next five years. This option would allow the Navy to test the program before actual procurement begins. The Navy could also examine alternative and, possibly, more affordable programs. As more Trident II missiles enter the fleet, however, the costs to operate the EC-130 fleet could increase as the aircraft must fly farther to service the greater area covered by the new missile. The EC-130 would also provide less overall capability than would the E-6 program. Thus, eventual replacement of the EC-130 might be desirable.



DEF-08 CANCEL M9ACE ARMORED COMBAT EARTHMOVER

Savings from Admin. Request	Annual Savings (millions of dollars)					Cumulative Five-Year Savings
	1987	1988	1989	1990	1991	
Budget Authority	30	160	100	100	120	510
Outlays	2	20	75	100	100	297

The M9 armored combat earthmover (ACE) is designed to provide engineering support to the Army's armored, mechanized, and light infantry battalions. The Army now uses an unarmored D7 bulldozer that offers the operator little protection from enemy artillery or small arms fire and that cannot move far without truck transport.

One of the primary tasks of this support vehicle is to prepare firing positions for tanks and infantry fighting vehicles (IFVs). This involves digging one or two holes in which each combat vehicle can park, thus enabling them to remain partially concealed while firing their guns. The Army believes that the M9ACE can perform this mission more quickly than the D7 bulldozer and with increased survivability and mobility. Despite its extra armor, however, the M9ACE remains highly vulnerable to enemy fire from tanks or large caliber weapons. As a result, it is likely to be used only when there is little or no threat from direct enemy fire and artillery, thereby making armor protection unnecessary.

It is also unclear whether the M9ACE needs to be self-mobile. Each maneuver battalion would be supported by four earthmovers. Four earthmovers could not accompany a fighting force of 60 to 70 vehicles as it retreats or advances and dig enough holes (60 to 140 to provide one or two per vehicle) to enable the force to occupy a tenable position rapidly. Rather, firing positions need to be prepared in advance, thus negating the need for the earthmovers to move with the force.

This option would cancel further procurement of the M9ACE, saving \$30 million in budget authority in 1987 and a total \$510 million over the next five years, and continue to rely on the D7 bulldozer. Without the need for armor protection or self-mobility, the current D7 bulldozer can provide combat engineering support to mechanized and armored battalions but at

some greater risk to the operator. Alternatively, the Army could seek to provide much of this same support by equipping U.S. tanks with bulldozer blades, as the Soviet Union has done, thus enabling each tank to prepare its own firing position. This would create an extensive and responsive combat engineering capability, while decreasing some logistics support. A small portion of the savings shown above could be dedicated to modifying the planned M1 tank fleet.



DEF-09 CANCEL THE ADVANCED MEDIUM-RANGE,
AIR-TO-AIR MISSILE

Savings from Admin. Request	Annual Savings (millions of dollars)					Cumulative Five-Year Savings
	1987	1988	1989	1990	1991	
Budget Authority	810	1,080	1,170	1,110	900	5,070
Outlays	210	510	760	900	900	3,280

The advanced medium-range, air-to-air missile (AMRAAM) is a radar guided missile planned for use by fighter aircraft of the Air Force, Navy, and Marine Corps. It will replace the Sparrow AIM-7 missile currently used by the services for longer-range, air-to-air engagements. AMRAAM, which is designed to be lighter than the Sparrow, will have a longer range and a higher speed. It will also have a "launch-and-leave" ability that will enable attacking aircraft to disengage after firing the missile in order to protect themselves and to seek other enemy targets. The current Sparrow missile must be guided to its target by the launching aircraft, thus leaving the plane vulnerable to enemy attack.

AMRAAM has, however, experienced problems both with cost and performance. Since the program's inception, cost per missile has tripled, growing from \$150,000 in 1979 to about \$450,000 now in current dollars. The program is also more than two years behind schedule. Indeed, AMRAAM's woes attracted the attention of the Secretary of Defense, who last year gave the Air Force notice that the program would be cancelled if costs were not brought under control. Moreover, the contractor has had difficulty integrating the target tracking mechanism into the smaller production versions of the missile, requiring reductions in radar power to avoid electrical interference. The Air Force claims recent tests show that these problems have been largely overcome, although the testing program might be at too early a stage to decide this conclusively.

The Congress has also repeatedly expressed doubts about the missile. In considering the fiscal year 1986 budget, the Senate Armed Services Committee, citing concern about the cost of the missile, reduced funding. The House Armed Services Committee described the AMRAAM program as the "single most vivid example of what is wrong with the defense acquisition

process" and deleted all funding. The conferees agreed to provide less than half the funds requested and required the Department of Defense to report on the affordability of the program before the funds can be expended. The House Appropriations Committee provided no funds for the program in 1986, arguing that the program was so far behind schedule that funds already appropriated could be used.

The Congress could elect to cancel AMRAAM because of its increased cost and potentially reduced effectiveness. This would save \$810 million in budget authority in 1987 and \$5.1 billion over the next five years. The services would continue to rely on the less expensive, albeit less capable, Sparrow missile. Although this missile does not have the planned capabilities of AMRAAM and cannot be used by the Air Force's current F-16 fighters, it offers some ability to attack even the best Soviet fighter aircraft. Furthermore, some argue that air-to-air combat is most likely to take place at closer-in, visual range where the existing Sidewinder missile would be effective.



DEF-10 DELAY ADVANCED TACTICAL FIGHTER (ATF)
DEVELOPMENT

Savings from Admin. Request	Annual Savings (millions of dollars)					Cumulative Five-Year Savings
	1987	1988	1989	1990	1991	
Budget Authority	290	340	580	700	2,400	4,310
Outlays	150	280	440	590	1,420	2,880

The Air Force plans for the advanced tactical fighter (ATF) to be its next premier fighter, replacing the F-15 in the mid-1990s. According to development design, the plane should have stealth characteristics and supersonic cruise speed. Improvements in avionics and short take-off and landing ability should make it more versatile than current fighters. Finally, advancements in reliability, maintainability, and survivability should hold down its operating and support costs while increasing availability.

Although desirable, these enhancements will be costly. Development will cost \$4.7 billion over the next five years alone. The Air Force currently projects that the plane's flyaway procurement cost--the cost excluding initial spares and ground support equipment--will be about 70 percent greater than that of the F-15 after adjustment for inflation. Historical cost analysis indicates that this estimate might be low. The F-15, for example, was about 200 percent more costly than the F-4 fighter it replaced.

The House Armed Services Committee reduced 1986 funding for the project and questioned its affordability. The committee was also concerned that some new technology might not be available in time to provide planned improvement in capabilities. The Senate Appropriations Committee, concerned about the effect of cost on force size, instructed the Air Force to limit the fighter's procurement cost.

The Congress could decide to defer development of this aircraft until the 1990s, choosing instead to rely on existing F-15s plus the new F-15E scheduled to enter the force in 1988. This would save \$290 million in budget authority in 1987 and a total of \$4.3 billion over the next five years, while allowing some technology development programs to mature. Deferring the ATF development would, however, delay fielding a new-generation fighter until the next century and could increase the risk that Soviet efforts would produce a fighter with a greater capability than U.S. fighters.

DEF-11 DELAY PROCUREMENT OF TRIDENT II MISSILE

Savings from Admin. Request	Annual Savings (millions of dollars)				1991	Cumulative Five-Year Savings
	1987	1988	1989	1990		
Budget Authority	1,430	2,290	2,300	2,300	1,670	9,990
Outlays	150	750	1,480	1,940	2,070	6,390

NOTE: Department of Energy costs for nuclear warheads are excluded from this analysis.

The Trident II submarine-launched ballistic missile (SLBM), the successor to the Trident I SLBM, will be deployed in new Trident submarines starting with the ninth ship in December 1989. This missile will have greater accuracy and carry larger warheads than the Trident I missile, thus providing considerably improved capability against hardened targets. The first research and development test flight of the missile is scheduled for January 1987.

Although the Trident II offers significant improvements over the Trident I, it is expensive. The total estimated cost of the missile program is \$38 billion in current dollars, making it the most expensive ballistic missile program ever undertaken by the United States. The Congress could choose to reduce the funding for the Trident II program and delay initial deployment of the Trident II missile until 1994 when the fifteenth Trident submarine is scheduled to enter the fleet. This would result in savings of \$1.4 billion in budget authority in 1987 and \$10 billion from 1987 through 1991.

Deferring Trident II procurement would impose continued reliance on the Trident I missile. In order to obtain enough Trident I missiles to equip the six additional Trident boats, some Poseidon submarines carrying Trident I missiles would have to be retired early. To compensate, the life of Poseidon submarines carrying Poseidon missiles could be extended. Trident submarines currently under construction would require some modification to accommodate the Trident I missile rather than the planned Trident II missile. Furthermore, overhauls scheduled for Trident submarines before 1994 would be deferred for two years. As with the current plan, all Trident submarines with Trident I missiles would be converted to Trident II missiles during overhaul, resulting in a total of 20 Trident submarines with the Trident II missiles.





DEF-12 CANCEL THE BRADLEY FIGHTING VEHICLE

Savings from Admin. Request	Annual Savings (millions of dollars)					Cumulative Five-Year Savings
	1987	1988	1989	1990	1991	
Budget Authority	800	630	340	280	0	2,050
Outlays	20	370	530	450	340	1,710

The Army's M2 Bradley Fighting Vehicle (BFV) was designed to accompany and keep pace with the M1 Abrams tank on the battlefield. The M2 can carry nine infantry personnel while also providing firepower from a TOW antitank missile and a 25-mm automatic cannon. The M2 is an improvement over the old M113 personnel carrier, which also provided armored protection for infantry squads but had little offensive striking power of its own. The Congress has already authorized the purchase of more than 3,600 Bradleys.

Recently completed Army tests have revealed that this lightly armored vehicle, when fully fueled and loaded with ammunition, will explode violently if antitank munitions strike it in certain places--a not unexpected result. The Army believes that it can minimize the Bradley's vulnerability by using terrain to provide protection from direct enemy fire and by allowing tanks to precede the M2s in an attack against forces with antitank weapons. Furthermore, it is considering a modification program designed to reduce the vehicle's vulnerability to catastrophic explosions. The proposed modification program might add as much as \$75,000 to the cost of each vehicle, which is about \$1.5 million.

Although the Bradley packs much more firepower than its 1960s predecessor, it costs seven times as much as the M113. According to the Army, part of the justification for the increased capability--and the associated cost--was the need for a vehicle that could keep up with and fight side by side with the M1 tanks. This tactic, however, would unduly expose the Bradleys to antitank weapons that are now widespread throughout most enemy forces thus allowing the enemy to exploit the Bradley's vulnerability. More conservative tactics emphasizing the BFV's ability to engage targets from long distances would reduce the carrier's vulnerability and still exploit its potential. A less sophisticated alternative, though, might be able to fulfill the same role at less cost.

For example, significant savings could be realized by purchasing upgraded M113s and Improved Tow Vehicles (ITV) in place of Bradley M2s. The modified M113 would be equipped with an improved transmission and engine, a turret, and a 25-mm cannon; the ITV is an M113 with TOW-II missiles. The total firepower of 3,200 Bradleys could be achieved by 3,200 modified M113s and 2,000 ITVs. (Each Bradley carries 7 TOW missiles, while ITVs carry 12 TOW missiles. Thus, 2,000 ITVs provide about the same antitank capability as 3,200 Bradleys, while the modified M113s provide roughly the equivalent cannon capability.) This alternative offers savings of about \$800 million in budget authority in 1987 and \$2.1 billion over the next five years, relative to the Army's plan, which would buy over 3,200 Bradleys.

The modified M113s and ITVs would not have the same ground mobility as the Bradley, however, and, therefore, would not be able to keep up with the M1 tanks over most terrain. Also, the M113 and ITV are at least as vulnerable to enemy antitank munitions as the Bradley itself. In light of the increasing antitank threat, however, prudence would dictate that, when possible, armored personnel carriers should not be employed alongside main battle tanks. Furthermore, fielding TOW launchers and 25-mm cannons on separate vehicles would afford the battle commander greater flexibility in the deployment of his weapons. The 3,600 Bradleys already purchased could be used primarily as reconnaissance vehicles in armored cavalry or scout units.



DEF-13 REDUCE MX TEST MISSILES

Savings from Admin. Request	Annual Savings (millions of dollars)				Cumulative Five-Year Savings	
	1987	1988	1989	1990		1991
Budget Authority	600	1,500	1,400	1,200	270	4,970
Outlays	140	540	920	1,100	890	3,590

The Congress put at least a temporary end to debate over deployment of the MX missile, which carries 10 nuclear warheads, by specifying in the fiscal year 1986 authorization bill that no more than 50 missiles were to be deployed in existing Minuteman silos. The Administration, however, in its 1987 defense plan, has not reduced either the size or the total system cost of the MX. The Administration still plans to implement an alternative basing mode for an additional 50 missiles and has retained the original size of the missile test program, which is independent of the total number of deployed missiles. Of the total 243 MX missiles in the Administration's plan (including research and development missiles), 143 are designated exclusively for testing. Of the remaining 169 missiles that the Administration plans to buy, 119 are earmarked for the test program.

The purpose of the test program is to establish the missile's capability and reliability and to monitor those attributes over the course of its operational life of about 15 years. The Joint Chiefs of Staff (JCS) has furnished statistical guidelines that specify the size of an acceptable test program. The current MX test program is generally consistent with those guidelines and is modest compared with test programs for past generations of U.S. ballistic missiles. Nonetheless, in light of fiscal constraints and the small size of the planned MX deployment, the Congress might consider a much smaller operational test program that would save money at the expense of added risk.

This option assumes that the Congress will allow deployment of only 50 MX missiles and will not consider alternative basing modes for the additional 50 missiles contained in the Administration's plan. Furthermore, this option provides for minimal testing of the MX and would purchase only 47 missiles--36 for the entire Operational Test (OT) program and 11 more to test the effects of aging on the missiles. This would be 72 fewer new test

missiles than are now planned. The Air Force would determine the allocation between the early phase of operational testing--to establish baseline missile performance parameters--and the later phase--to monitor for declines in reliability. To achieve the total number of missiles, annual production would be limited to no more than 12 missiles per year in each of the next four years. Savings under this option would be \$600 million in budget authority in 1987 and \$5.0 billion over the five years. Alternatively, the Congress could continue MX procurement at a rate of 21 missiles per year, thus completing procurement by 1989. This procurement schedule would achieve no savings in budget authority in 1987 but would save \$4.8 billion by the end of the 1987 through 1991 period.

This option might be consistent with the belief that the limited contribution of 50 deployed MX missiles--generally carrying less than 1 percent of survivable U.S. warheads--does not warrant the expense of heavy testing. It could substantially increase risk, however. Thirty-six OT test missiles would not permit the Air Force to meet JCS guidelines both for establishing missile baseline performance parameters and for monitoring missile reliability.



DEF-14 ALTER FUNDING FOR SUPPORTING PROCUREMENT

Savings from Admin. Request	Annual Savings (millions of dollars)					Cumulative Five-Year Savings
	1987	1988	1989	1990	1991	

Limit 1987 Funding to Zero Real Growth

Budget Authority	3,600	3,400	3,700	3,900	4,200	18,800
Outlays	1,300	2,100	2,900	3,400	3,700	13,400

Limit 1987 Funding to Zero Nominal Growth

Budget Authority	4,400	3,800	5,200	5,900	6,700	26,000
Outlays	1,500	1,900	3,200	4,200	5,200	16,000

Most public debate over the defense budget revolves around large weapons systems such as missiles, aircraft, and ships. Acquisition of such weapons accounts for about 79 percent of total procurement appropriations. The remaining 21 percent--labelled here as "supporting procurement"--is spent for trucks and cars, communications equipment, general purpose computers, office equipment and furnishings, training devices, and the variety of other equipment required by the military services. These items support the operational needs of the services both in the field and at headquarters. In terms of mission importance, they range from items essential to military operations, such as trucks and radios, to items more related to administrative activities common to peacetime and wartime, such as office computers.

Limit 1987 Funding to Zero Real Growth. In 1986 the Congress limited the Administration's request for an 8.5 percent real increase in budget authority for supporting procurement to about 1 percent. The Administration has requested a real increase of 17.8 percent for supporting procurement in its 1987 budget. The increase for 1987 could again be limited to an amount sufficient to offset the effects of inflation; these accounts could then be allowed to grow by the rate proposed by the Administration in subsequent years. This reduction would save \$3.6 billion in budget authority in 1987 and \$18.8 billion over five years.

Because these accounts buy a multitude of equipment items, this report cannot specify the detailed changes needed to achieve the savings dis-

cussed above. In the past, the Congress has tended to cut funds for communications equipment, munitions, and industrial preparedness by larger amounts, while providing most of the requested funds for items such as spare parts, vehicles, and base support equipment. If this pattern was followed in limiting the 1987 request, the major effects would be a slowing of communications modernization and less ability to sustain combat in the event of an extended conflict. Normal peacetime operations and immediate combat readiness would be less affected.

Limit 1987 Funding to Zero Nominal Growth. Alternatively, budget authority for supporting procurement could be frozen at the 1986 level for one year and only allowed to grow with the amount of inflation in subsequent years. This would save \$4.4 billion in budget authority in 1987 and \$26 billion over the next five years. Because the 1987 appropriation would contain no adjustment for inflation and subsequent appropriations only an inflation adjustment, this approach would reduce the real level of funding below the 1986 level by about 4.1 percent. This approach could adversely affect peacetime operations and, perhaps, lessen U.S. ability to sustain combat in an extended war. Again, however, it is difficult to assess the exact effects of a reduction in such a diverse budget area.

DEF-15 ALTER RESEARCH AND DEVELOPMENT FUNDING

Savings from Admin. Request	Annual Savings (millions of dollars)					Cumulative Five-Year Savings
	1987	1988	1989	1990	1991	

Reduce 1987 Funding Request by 10 Percent

Budget Authority	4,200	4,200	4,100	4,200	4,700	21,400
Outlays	2,100	3,600	3,900	4,000	4,300	17,900

Limit Funding to Real 1986 Level

Budget Authority	7,500	6,300	4,100	3,100	6,200	27,200
Outlays	3,800	5,900	4,800	3,600	4,700	22,800

Research, Development, Test and Evaluation (RDT&E) funding for the Department of Defense pays for a wide range of activities: basic research, such as high-energy physics or microbiology; applied research, such as ceramic or construction engineering; engineering development to put weapons systems into production; and testing programs for potential weapons or experimental designs. Although most defense RDT&E funds are spent in private industry for the development of weapons systems, these funds also finance the operation of government laboratories and much research activity at universities and private nonprofit research centers.

The adequacy of RDT&E funding and the potentially adverse effects on research brought about by lower than planned spending levels are difficult to measure. Much of the research funding is spent to explore new technologies, only some of which lead to advanced research and development. Increases in real levels of research funds should allow continued exploration of new areas; lower spending levels would require greater scrutiny of new research proposals and harder choices about the continued funding and rate of funding for ongoing programs. At some point, tighter research budgets would result in a narrowing of the U.S. technological advantage over the Soviet Union.

Reduce 1987 Funding by 10 Percent. RDT&E budget authority has grown sharply in recent years, up by 74 percent in real terms from 1980 through 1985. This corresponds to average annual real growth of about 12 percent.

Although the Administration requested a 25 percent real increase in funding in 1986, the Congress appropriated about 10 percent fewer funds than the Administration requested.

For 1987 the Administration has requested 22 percent real growth in budget authority for RDT&E. The Congress could choose to reduce RDT&E funding by 10 percent in 1987 and then allow it to grow at the rate proposed by the Administration in subsequent years. This would save \$4.2 billion in budget authority in 1987 and \$21.4 billion over the next five years. This option would allow a real increase of about 10 percent in 1987 and would leave RDT&E with about 12 percent of the entire defense budget, a high level by historical standards.

Because so many programs exist in this area, this report cannot specify which programs would be affected by a slowdown. Last year, for example, the Congress made detailed changes to hundreds of different RDT&E programs. The Strategic Defense Initiative (discussed in DEF-16) and research on a new, small ICBM would probably be affected by any major slowdown in RDT&E funding, as would many smaller programs.

Limit Funding to Real 1986 Level. Alternatively, the Congress could hold 1987 RDT&E budget authority to no real growth in each of the next five years. This approach would save \$7.5 billion in budget authority in 1987 and \$27.2 billion over the next five years. Savings of this magnitude, however, could not be achieved without some restructuring of the RDT&E plan proposed by the Administration. Major research programs would have to be slowed and some lower priority programs probably would be terminated to allow continued funding of programs that enjoy a higher priority.

DEF-16 SLOW GROWTH IN THE STRATEGIC DEFENSE INITIATIVE

Savings from Admin. Request	Annual Savings (millions of dollars)					Cumulative Five-Year Savings
	1987	1988	1989	1990	1991	
Budget Authority	1,100	1,300	1,500	1,800	2,100	7,800
Outlays	500	1,040	1,290	1,550	1,830	6,210

On March 23, 1983, President Reagan called for the United States to render nuclear weapons "impotent and obsolete" by developing defenses that could destroy an enemy's nuclear weapons before they exploded on American soil. The research and development (R&D) plan resulting from this mandate--known as the Strategic Defense Initiative (SDI)--calls for devoting about \$33 billion from 1987 through 1991 to study applicable technologies and system concepts, ranging from space-based lasers and particle beam weapons to more conventional antiballistic missiles (ABM).

The planned budget calls for a steep rate of real growth in SDI funding: 68 percent from 1986 to 1987, and an average of 14 percent annually thereafter through 1991. Thus, the SDI will consume a greatly increasing share of Department of Defense R&D resources. In 1985, the first year of the SDI program, it represented about 5 percent of the Research, Development, Test, and Evaluation budget. By 1991 the SDI would take up about 19 percent of the total DoD research budget. In view of this increase, the Congress has expressed concern about the efficient use of these fast-growing funds, as well as the impact SDI funding might have on other important R&D programs. Some members of the Congress have questioned SDI development since it depends heavily on technological breakthroughs and since pressure to proceed beyond research could lead to abrogation of the ABM treaty, thus fueling an arms race in space with the Soviet Union.

Efficiency and technological concerns could be partly addressed by spreading the spending proposal (in real terms) for the next five years over six years. This slowdown would save \$1.1 billion in budget authority in 1987 and \$7.8 billion over the next five years. Under this plan, however, the SDI would still consume about 16 percent of the DoD research budget by 1991. Remaining funding should allow intensive evaluation of the feasibility of new SDI technologies. Full-scale development and deployment decisions could still be pursued in the 1990s, although with some delay. This slowdown would also allow more time to develop this large program efficiently and to debate fully the technical and arms control issues involved in these efforts.

DEF-17 ALTER FUNDING FOR MILITARY CONSTRUCTION

Savings from Admin. Request	Annual Savings (millions of dollars)					Cumulative Five-Year Savings
	1987	1988	1989	1990	1991	
Budget Authority	1,500	3,500	3,300	4,500	4,100	16,900
Outlays	200	1,100	2,200	3,000	3,700	10,200

Military construction funding for the Department of Defense pays for a wide range of activities: combat-related construction, such as ammunition storage facilities and aircraft and weapons maintenance facilities; morale- and welfare-related construction, such as gymnasiums and child care centers; and living accommodations, such as barracks and housing for unaccompanied personnel. These funds also pay for acquiring land for military use and for modifying existing facilities.

Military construction funding increased by an average of 14 percent per year in real terms from 1980 through 1985. In 1986, however, the Congress restricted budget authority for military construction to about 4 percent below the 1985 nominal level. In 1987, DoD has asked for \$6.8 billion for military construction, a real increase over the 1986 level of 24 percent. If this request was restricted to the nominal 1986 level, and held constant in real terms in subsequent years, this option would save \$1.5 billion in budget authority in 1987 and \$16.9 billion over the next five years.

Potentially adverse effects of continuing to limit the growth in military construction are difficult to assess because of the large number of projects in this area, each of which could be affected differently. Some projects would likely take longer to complete, while some planned military construction programs would probably be cancelled or postponed indefinitely. Even some new projects that have received strong support from the services--such as military construction programs at Ft. Drum, New York, and in Alaska to support the Army's new divisions and the Navy's plan to establish new homeports for some of its fleet--might have to be reduced in scope unless spending for other projects was lowered to offset the cost of the new programs.



DEF-18 SLOW INCREASES IN THE TACTICAL AIR FORCE

Savings from Admin. Request	Annual Savings (millions of dollars)				Cumulative Five-Year Savings
	1987	1988	1989	1990	1991

Savings in Total Federal Budget a/

Budget Authority	0	170	540	940	1,180	2,830
Outlays	0	90	320	620	860	1,890

Savings in Defense Budget a/

Budget Authority	0	170	540	940	1,180	2,830
Outlays	0	110	380	720	980	2,190

- a. Savings in the federal and DoD budgets differ because of the effects of accrual accounting applied in the defense budget to retirement costs of military personnel.

The Administration announced in 1981 that it intended to increase the Air Force tactical fighter force from 36 air wings to 40 wings by 1986, with a further increase to 44 wings by the early 1990s. (A typical wing consists of 72 combat aircraft with 28 back-up aircraft for training and maintenance.) The competing pressure to modernize the force, however, has led the Air Force to postpone these increases so that it had added only one new wing by 1986. Current plans are to field 40 wings by 1991, with no announced expansion planned beyond that year. Additionally, the Congress has expressed some reservations about the 40-wing force. In its 1985 report, the Senate Appropriations Committee indicated that it supported modernization but not necessarily an expansion of the existing force. And the House Armed Services Committee expressed concerns about the affordability of the 40-wing goal in its 1986 report.

The Air Force believes that the increase in both quality and quantity of Soviet aircraft pose a growing threat. Modernization of U.S. forces without force expansion, therefore, might not be sufficient to maintain the current balance between U.S. and Soviet tactical air forces, while simultaneously meeting the expanding global commitments desired by the Administration.